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FISCAL IMPACT STATEMENT

LS 6302

BILL NUMBER: HB 1079

NOTE PREPARED: Nov 17, 2004

BILL AMENDED:

SUBJECT: Capital projects fund transfers.

FIRST AUTHOR: Rep. Mays

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill authorizes a school corporation to transfer to the school corporation's general fund in the 2006 and 2007 school years not more than 4% of the money in the school corporation's capital projects fund. The bill repeals expired provisions that authorized a school corporation to transfer money from the school corporation's debt service, transportation, or capital projects fund to the school corporation's general fund.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill could increase available revenue to school General Funds and decrease the operating balance in the Capital Projects Fund. The average cash balance in the Capital Projects Fund on December 30 from 2000 to 2003 was \$387 M. A 4% transfer from the Capital Projects Fund to the General Fund would be about \$15.5 M annually in school years ending in 2006 and 2007. The amount of the transfer would vary by school corporation. Using the December 30, 2003, cash balance, the amount of the allowable transfer per student would be between \$0 and \$103.98 and the average would be about \$17 per student.

State Agencies Affected:

Local Agencies Affected: Local School Corporations.

Information Sources: Department of Education Databases.

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